

Message Text

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64

ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-01 INR-07 L-02

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USIA-06 EB-07 AID-05 OMB-01 TRSE-00 COME-00 STR-01

ARAE-00 CIEP-01 IO-10 INT-05 FEA-01 OES-03 /089 W

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P R 091956Z JAN 75

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC PRIORITY 7199

INFO AMEMBASSY BUENOS AIRES

AMEMBASSY BOGOTA

AMEMBASSY QUITO

AMEMBASSY LIMA

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E.O. 11652: N/A

TAGS: PFOR VE

SUBJ: VENEZUELAN FOREIGN MINISTER'S REACTION TO JANUARY 6

KISSINGER STATEMENT ON TRADE LAW

REF: CARACAS 0245

SUMMARY: FOREIGN MINISTER SCHACHT SUGGESTED TO THE PRESS ON JANUARY 8 THAT VENEZUELA WILL LIKELY WITHOLD DEFINITIVE ACTION IN RESPONSE TO THE NEW TRADE LAW UNTIL THE RESULTS OF THE DEPARTMENT'S EFFORTS TO ELIMINATE THE DISCRIMINATORY FEATURES OF THE LAW ARE KNOWN. END SUMMARY

1. IN RESPONSE TO QUERY BY THE PRESS CONCERNING VENEZUELA'S REACTIONS TO THE NEW TRADE LAW, SCHACHT REPLIED AS FOLLOWS:
(A) SECRETARY KISSINGER'S JANUARY 6 STATEMENT ON THE NEED TO MODIFY THE TRADE LAW DEMONSTRATED THAT VENEZUELA AND OTHER COUNTRIES WERE CORRECT IN THEIR PROTESTS AGAINST THE LAW.
(B) VENEZUELA'S REACTION TO THE TRADE LAW WAS TO CONVENE A SPECIAL
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MEETING OF THE OAS TO DISCUSS THIS QUESTION AND, ON THE BASIS OF

THAT DISCUSSION, TO TAKE APPROPRIATE DECISIONS. SOME COUNTRIES HAVE INDICATED THEIR SUPPORT FOR THIS INITIATIVE BY VENEZUELA AND HOPEFULLY MORE COUNTRIES WILL ADD THEIR SUPPORT DURING THE NEXT FEW DAYS, SINCE PRESIDENT PEREZ HAS JUST SENT HIS PROPOSAL TO OTHER OAS MEMBER HEADS OF STATE.

(C) SECRETARY KISSINGER'S STATEMENT MEANT THAT THE DEPARTMENT OF STATE HAD REITERATED ITS KNOWN OPPOSITION TO THE DISCRIMINATORY FEATURES OF THE LAW AND WOULD TAKE STEPS TO REMOVE THESE FEATURES. IN ANY CASE, VENEZUELA WILL AWAIT THE RESULTS OF THESE MOVES BEFORE DECIDING UPON ANY DEFINITIVE STEPS. (IN RESPONSE TO A DIRECT QUESTION AS TO WHETHER VENEZUELA WILL REDUCE ITS PETROLEUM EXPORTS TO THE U.S. IN REACTION TO THE TRADE LAW, SCHACHT SAID IT WAS NOT WITHIN HIS COMPETENCE TO REPLY.) SCHACHT SAID THAT HE WAS IN CLOSE CONTACT BY PHONE WITH VENEZUELAN OAS AMBASSADOR MACHIN CONCERNING FURTHER STEPS IN THE OAS.

(D) GOV HAS NOT YET RECEIVED THE KISSINGER LETTER REPORTED IN THE PRESS CONCERNING THE POSSIBLE MEETING BETWEEN THE PETROLEUM PRODUCERS AND CONSUMERS.

2. IN A RELATED DEVELOPMENT, THE PRESS QUOTED FORMER FOREIGN MINISTER CALVANI (COPEI) AS HAVING CRITICIZED THE POSSIBILITY OF VENEZUELA NOT ATTENDING THE BUENOS AIRES MFM BY STATING THAT "FOREIGN POLICY DECISIONS SHOULD NOT BE MADE IMPULSIVELY. TO DISCUSS MATTERS IN THE OAS DOES NOT EXCLUDE DISCUSSING THEM IN BUENOS AIRES."

3. COMMENT: SCHACHT IS IN A DELICATE POSITION. IN VIEW OF THE CRITICISM HE EARNED FOR HIS HANDLING OF THE QUITO OAS MEETING, HE IS VULNERABLE TO BARBS, SUCH AS CALVANI'S, THAT THE GOV ACTED IMPULSIVELY AND WITHOUT ADEQUATE SUPPORT IN CALLING FOR A SPECIAL OAS MEETING. WERE HE TO WITHDRAW THIS GOV PROPOSAL, HE WOULD LEND CREDENCE TO SUCH ACCUSATIONS. FOR THIS AND OTHER REASONS, THE GOV IS LIKELY TO ABANDON ITS PUSH FOR A SPECIAL OAS MEETING. AT THE SAME TIME, THE FACT OF PROSPECTIVE DISCUSSIONS BETWEEN THE DEPARTMENT AND THE CONGRESS WILL REDUCE THE PROBABILITY OF EARLY REPRISALS BY THE GOV (E.G., A FIRM DECISION NOT TO ATTEND THE BUENOS AIRES MINISTERIAL MEETING, A REDUCTION IN PETROLEUM EXPORTS TO THE US).

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